

Office of the Comptroller of the Currency

Strategic Plan

FY 1997-2002

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Strategic Plan **FY 1997-2002**

Introduction

The strategic plan for the Office of the Comptroller of the Currency (OCC) sets forth the agency's goals and objectives for the next five years. The OCC is committed to the strategic planning process to:

- ▶ Communicate the mission and vision of the OCC to all employees and other stakeholders;
- ▶ Set strategic goals and objectives;
- ▶ Establish performance measures to assess the achievement of long-term goals.

The OCC was established in 1863 as a bureau of the Department of the Treasury. It is responsible for regulating and supervising the national banking system. At the end of 1996, there were 2,726 national banks, a figure that represents approximately 29 percent of the total number of commercial banks in the United States. These national banks had assets of approximately \$2.5 trillion at the end of 1996, accounting for about 55 percent of the total assets of the commercial banking system. The OCC also supervises and regulates the federally licensed branches and agencies of foreign banks doing business in the United States. Though the mission of the agency has remained constant over the years, changes in the external environment have required us to adapt the strategy we use to fulfill that mission.

Through the years, the banking industry faced numerous, increasingly rapid, changes, each resulting in new challenges to the long-term health of the industry. Currently, accelerating advances in technology are changing fundamentally the nature of how information is created, processed and delivered -- the heart of what banks do. As a result, banks face competition from new participants that are able to target segments of markets traditionally served by banks. Competition is not merely regional or national, but global. And, an increasingly sophisticated, aging population is demanding a different mix of financial products and services. Banks will be unable to remain safe and sound, or effectively serve the needs of consumers and businesses, unless lawmakers, and regulators take a flexible and adaptable view of both the business and the regulation of banking.

Against this background, OCC developed four strategic goals, which we call the four pillars, to provide a broad vision of the OCC's role, based on our analysis of the dynamics of the banking industry.

The public is OCC's ultimate customer. The OCC, its employees, the national banks we supervise and Congress have the public as customers. We are working with our other customers and stakeholders to make sure the needs of the public, are being met. Our mission statement identifies the public as our ultimate customer. The mission is to charter, regulate and supervise national banks to ensure a safe, sound and competitive national banking system

that supports the citizens, communities and economy of the United States.

The public can expect OCC to:

- ensure bank safety and soundness to advance a strong national economy.
- foster competition by allowing banks to offer new products and services to their customers as long as banks have the expertise to manage their risks effectively and to provide the necessary consumer protections.
- improve the efficiency of bank supervision and reduce burden by streamlining supervisory procedures and regulations.
- assure fair access to financial services for all Americans by enforcing the Community Reinvestment Act and fair lending laws, and encouraging national bank involvement in community development activities.

Our seven objectives for 1997 describe what we plan to accomplish during CY 1997 and subsequent years.

Mission Statement

The OCC charters, regulates, and supervises national banks to ensure a safe, sound and competitive national banking system that supports the citizens, communities and economy of the United States.

Vision

Ensure that national banks soundly manage their risks; compete effectively with other providers of financial services; offer products and services that meet the needs of customers; comply with applicable laws; and provide fair access to financial services for all Americans.

OCC employees will work together to anticipate and respond to risks in the banking system and to ensure that the agency's supervision is efficient and responsive to market developments, both domestically and globally.

Each OCC employee will maintain the highest standards of integrity, be a supportive and positive contributor to the OCC team, and perform his or her job with energy and good judgement. All employees will value the diversity of their co-workers and reflect in their work and demeanor that they are public servants, obligated to carry out their responsibilities in a professional, courteous and fair manner.

Description of Strategic Goals

The Comptroller has established four strategic goals. These goals support the mission of the OCC and set the direction in which the agency must go to be positioned to carry out its mission successfully into the 21st century.

Strategic Goals

- *Ensure bank safety and soundness* to advance a strong national economy. The OCC must maintain a proactive focus to identify potential problems in banking before they can cause significant harm to individual institutions and to the industry as a whole. The OCC must ensure its supervisory practices are both up-to-date and adaptable to the rapid evolution of highly complex new products and services being offered by the banking industry.
- *Foster competition* in order to advance the long term safety and soundness of the national banking industry and benefit consumers by allowing banks to offer new products and services that are part of, or incidental to the business of banking, or otherwise permitted by laws as long as banks have the expertise to manage the risks effectively and to provide the necessary consumer protections. At the same time, the OCC must act responsibly to understand, to monitor, and where appropriate, to limit the risks of new banking activities.
- *Improve the efficiency of bank supervision and reduce burden by streamlining supervisory procedures and regulations.* The OCC must continue to introduce new examination procedures that reduce burden by focusing on banking activities that pose the highest risk. The OCC must ensure that its regulations are clearly written to minimize regulatory burden and costs, and continuously eliminate regulations that are no longer necessary.
- *Assure fair access to financial services for all Americans* by enforcing the Community Reinvestment Act (CRA) and fair lending laws, and encouraging national bank involvement in community development activities. The OCC must develop an understanding of and eliminate impediments that limit the access to banking services by certain pockets of the economy, especially small businesses, low income individuals, low-income individuals and businesses located in rural areas, and victims of illegal discrimination.

Objectives -

The OCC's Commitment to Meeting the Four Strategic Goals

The Comptroller and Executive Committee in 1995 established priority areas, or objectives, for 1996 that support the accomplishment of the four strategic goals. They were modified during the planning process for 1997. Teams were established to develop projects supporting the 1997

objectives. As part of the budget process, resources were allocated to these projects and to functional units. Each objective supports one or more of the strategic goals as do the ongoing operations of the office. The seven objectives account for 5% (156 FTE) of total OCC FTEs and 7% (\$27,200,000) of total OCC dollars.

We anticipate that some of the objectives will continue through the next year and perhaps longer. Initially, we will perform an annual review to refine the objectives and make changes. The OCC then plans to transition to a two-year planning cycle with a longer-range focus.

The seven objectives for 1997 are listed below.

1. Implement Supervision by Risk
2. Develop Technology to Support the Workforce
3. Enhance Workforce Skills, Abilities and Resources
4. Implement Effectiveness Measures for OCC Programs, Processes and Projects
5. Improve Internal Communications
6. Monitor and Analyze Electronic Money and Banking Issues
7. Improve Access to Financial Services

A description of the seven objectives follows:

(1) Implement Supervision by Risk (supports the strategic goals, “Ensure bank safety and soundness,” and “Improve the efficiency of bank supervision and reduce burden.”)

The resources of the OCC are focused on identifying potential problems in banking before they can cause significant harm. This means that bank examiners concentrate on those activities that represent the highest risk to a bank's financial condition, and, if applicable, to the banking system as a whole.

The OCC continuously reviews its supervisory practices to make sure they are up to date, as well as adaptable to the rapid evolution of highly complex new products and services being offered by the banking industry. This ensures that the risks to individual national banks (bank risks) and to the banking system (systemic risks) are identified, and that appropriate supervisory measures are taken to reduce or eliminate them, or at least to minimize their impact.

(2) Develop Technology to Support the Workforce (supports the strategic goals, “Improve the efficiency of bank supervision and reduce burden,” and “Ensure bank safety and soundness.”)

The OCC will use technology, wherever practical and cost-effective, to reduce the time needed for examinations through continued development of the Examiner View automated examination system, and by perfecting automated examination support systems such as the

Integrated Bank Information System (IBIS), and the Industry Sector Information Service (ISIS). These systems, which should be fully on line in CY 1998, are designed to allow examiners to spend more time off-site analyzing bank data, so that they can focus immediately on the areas exposed to the greatest risk once they enter the banks. Full implementation of these new systems will help make the examination process more efficient and more effective, improving safety and soundness while lowering the regulatory burden placed on banks and reducing the cost of supervision.

(3) Enhance Workforce Skills, Abilities, and Resources (supports the strategic goals, “Improve the efficiency of bank supervision and reduce burden,” and “Ensure bank safety and soundness.”)

The OCC is engaged in managing the evolution of its staff towards a smaller, more highly skilled, more effective workforce organized to supervise the banking industry of the future. As part of this process, the OCC is aligning employee skills and expertise more closely with organizational needs, based on OCC priorities and the requirements of the Supervision by Risk objective. The OCC plans to set up programs to develop employees, or conduct outside hiring, for any additional skills or expertise needed. OCC is piloting several programs in 1997 and plans to expand them agency-wide in 1998. In addition, the examiner training curriculum is being evaluated and modified as necessary to ensure that examiners have the tools they need to examine banks effectively.

In the area of cost-efficiency, one project will reevaluate office space nationwide to determine if there are alternatives that would meet basic requirements for office space, but at a lower cost.

(4) Implement Effectiveness Measures for OCC Programs, Processes and Projects (supports the strategic goal, “Improve the efficiency of bank supervision and reduce burden.”)

This OCC objective relates to one of the fundamental objectives of the Government Performance and Results Act (GPRA): to be able to measure the performance of the agency in carrying out its mission.

The Chief Financial Officer’s (CFO) Act of 1990 instituted a performance measurement and reporting system to evaluate the achievement of goals and objectives. The OCC has included performance measures in our CFO Annual Report since 1991, the first year measures were required. The initiative to measure performance in connection with the OCC’s overall mission began about three years ago, when OCC recognized that the adoption of specific goals, and the measurement of the agency’s success in accomplishing them, constituted good business practice.

The “Comptroller’s Priorities” in 1995 were the first attempt to establish clear goals for the

accomplishment of OCC's mission. These objectives were modified and updated in 1996. Seven "Comptroller's Objectives" were adopted by the Executive Committee for 1997.

There are a number of areas under consideration for performance measurement in future years. One such area is the process of reviewing new regulations to make sure they focus on the areas of greatest risk and eliminate burdensome requirements that do not contribute significantly to bank safety and soundness or OCC's statutory mission. Work is under way to develop performance measures for the OCC's four strategic goals.

An important part of the process of instituting performance measurement is to communicate to employees at all levels why the measures are important to the accomplishment of the agency's mission, and why they are important to the employees individually. The OCC has involved its employees in performance measurement from the beginning. An OCC-wide task force developed recommendations that led to the current efforts to identify areas for measurement and to set standards to gauge the OCC's performance. OCC employees have an understanding of and support the performance measurement process.

(5) Improve Internal Communications (supports the goal, "Improve the efficiency of bank supervision and reduce burden")

This objective aims at institutionalizing a coordinated and integrated communications process within the OCC. Some of its key ingredients that should be implemented by 1998 are to: link the communication of agency activities to the OCC's mission and operating plans; instill accountability for consistent and cross-functional communication on the part of all employees; require that new policies and initiatives include communications plans; and openly seek employee input throughout the life of a project or activity.

The successful accomplishment of the OCC's strategic goals and the objectives supporting them is closely tied to good communication. Enhanced communication at all levels of the organization will increase the effectiveness of bank supervision, as well as the formulation of the policies that direct the efforts of OCC employees in this important area. To that end, OCC held focus group meetings throughout OCC to discuss the strategic goals and begin to develop objectives. Feedback after these meetings showed a significant increase in employees' knowledge and understanding of these goals, which suggests the success of our communications efforts.

(6) Monitor and Analyze Electronic Money and Banking Issues (supports the goals, "Ensure safety and soundness," "Foster competition," and "Assure fair access to financial services for all Americans.")

Secretary Rubin designated the Comptroller as the coordinator for the development of the Treasury Department's Electronic Money and Banking policy. Building upon the public-private consultations and 1996 Electronic Money Conference, the Executive Committee adopted the electronic money initiative as one of the seven Comptroller's objectives for

1997. The purpose of this objective is to develop a timely and appropriate response to the introduction of electronic money and banking products and technologies. The guiding principle behind this Department of Treasury initiative, is that the private sector should take the initiative in addressing electronic money and banking issues with the Department providing oversight.

Under this objective, the OCC will provide staff and technical support so the Comptroller can continue to lead the development of Treasury Department policy to: respond to the consumer issues raised by electronic money and banking products; work with the U.S. delegation to the G-10 working party and the Basle Committee to establish a foundation for international cooperative efforts to address the cross-border issues posed by electronic money and banking systems; develop appropriate guidance for examiners and bankers in responding to the most significant risks posed by electronic money and banking products; make sure that the OCC maintains current knowledge of developments in the electronic money and banking arena, both domestically and internationally; and provide a timely, thoughtful, and appropriate response to national banks filing applications or seeking legal opinions in connection with electronic money and banking products.

(7) Improve Access to Financial Services (supports the goal, “Assure fair access to financial services for all Americans”)

This multi-year objective will be achieved by enforcing the CRA and fair lending laws and encouraging national bank involvement in community development activities and in providing financial services profitably to those currently outside the banking system.

The OCC is working to develop an understanding of the impediments that limit access to banking services for certain pockets of the economy, especially small businesses, low-income individuals, and victims of illegal discrimination. The OCC will undertake an initiative to identify and address the reasons many low-income individuals and households do not have banking relationships and to collect and disseminate information on innovative and profitable efforts by banks to reach this sector of the population.

The OCC intends to deepen and improve the timeliness of its analysis of Home Mortgage Disclosure Act, Community Reinvestment Act and small business lending data; implement revised application procedures under CFR Part 5 in a manner that ensures appropriate consideration of a bank's CRA performance; develop and implement revised fair lending examination procedures; and develop a program for educating its personnel on OCC efforts to improve access to financial services.

Description of How the General Goals and Objectives Are to be Achieved/Monitored and the Resources Needed

Initially, the OCC will use its budget process as a framework for allocating and reporting on resources used in the achievement of strategic goals and the objectives supporting them. There is a separate budget and project tracking system for each objective, and this can serve to measure performance. The OCC will solicit input from its customers (bankers, bank customer groups, and employees), establish performance measures, and then communicate the measures on the results (i.e., the OCC's performance) to employees, bankers, and bank customer groups.

The OCC is primarily funded through assessments on the assets of the banks it regulates. Revenues are determined by the assessment income stream, which is a function of the numbers of national banks and their asset size. The agency has a dynamic automated staffing model driven by the numbers of banks and the amount of risk present in the national banking industry. Approximately, 60% of total OCC FTEs are field examiners who conduct both safety and soundness examinations of national banks and compliance examinations. Their salaries and benefits comprise 56% of OCC's budget. The goals and objectives set for 1997 are achievable, based on current projections relating to the industry.

Identification of Key Factors That Could Affect Achievement of the Goals and Objectives

At any time during the annual operating cycle, an event or change could occur that would require a reevaluation of operational goals and implementation strategies. These events or changes could be the result of any number of developments, such as changes in the structure of the banking industry, economic factors, systemic risks, or legislative initiatives. The following areas serve to illustrate how the OCC has responded to, and will continue to address, these factors.

Industry Consolidation: The insured commercial banking industry is consolidating. Between 1980 and the end of 1996, the number of banks in the United States dropped from 14,421 to fewer than 10,000. During the same period, the number of commercial banking organizations - independent banks and bank holding companies -- fell from about 12,300 to 7,500. Over the past three years, over 500 small national banks merged or consolidated with other banking institutions. In 1996 there were approximately 2,700 national banks. The OCC projects that the number of national banks will decline by about 300 in 1997. We project that by the year 2000 there will be 2,000 - 2,100 national banks.

Consolidation has resulted in an increase in the number of large banks and growth in their average size. The number of banks with assets in excess of \$10 billion increased by more than 25 percent during the last three years. The average size for this class of banks is now more than \$30 billion. The OCC has identified three operational effects of industry consolidation, and is working to mitigate them.

1. Reduction in Revenue: The OCC estimates that continued consolidation, spurred by the lifting of restrictions on interstate branching scheduled to take effect on June 1, 1997, will reduce its assessment revenue in 1997 and constrain revenue in future years.
2. Reduced or mismatched workloads: Bank consolidation has led to a reexamination of staffing levels and of the distribution of workloads by geographic location. The OCC responded to changes in the industry by announcing a new, more efficient organizational structure in March of 1997. Continued consolidation on a scale beyond the scope expected would pose additional organizational challenges; these would be addressed through additional adaptations in both structure and resources.
3. Pressure on fee structure: Because the OCC depends almost exclusively on assessments to fund its operations, national banks face higher costs for supervision than state banks. The Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve do not charge examination fees. The FDIC funds its bank supervision responsibilities from the deposit insurance premiums it collects, while the Federal Reserve covers its examination expenses indirectly, without reliance on an actual assessment. Since the states share their bank supervision responsibilities with the FDIC or the Federal Reserve, they are able to charge state-chartered banks substantially lower rates than the OCC. The OCC is now engaged in studying alternate ways to structure its assessments and to assure an adequate revenue stream without imposing any additional financial burdens on the banks it regulates. Indeed, the agency hopes it will actually be able to reduce some of its fees.

Potential Impact of Pending Legislation to Modernize the Financial Services Industry:

Pending legislation to modernize the financial services industry could impact OCC. The possible elimination of the federal thrift charter and a merger of the Office of Thrift Supervision (OTS) and OCC could impact us in terms of our workload and our supervisory focus. If thrifts' balance sheet and risk structure remain different from banks, we would need to modify our supervisory approach to these entities.

Electronic Money and Banking Activities: New technology has brought with it changes in the way banks do business. Products and services such as electronic banking allow bank customers to use touch-tone telephones, home computers, or debit cards at retail establishments, to authorize their banks or third parties to issue payments drawn on their bank accounts.

Electronic money, unlike electronic banking, represents an alternate medium of exchange. A company, which in some cases is not a bank, issues claims accepted as payment and, acting as a clearinghouse, redeems them. One manifestation of electronic cash is the "smart" card, a stored-value card with an embedded computer chip that some entities are marketing as an electronic alternative to cash. Like any financial product, electronic cash can present risks.

The OCC has committed resources to assess and respond to these developments. This is an evolving area that will have a significant impact upon the industry and the way the OCC

regulates it. The OCC's initial response to these developments encompasses the following areas:

- ▶ Making sure that all issuers and their customers are aware of the basic rules governing electronic payments;
- ▶ Ensuring security of value in deposit accounts, the protection of private information, and the availability of recourse in cases of unauthorized use;
- ▶ Safety and soundness issues related to credit risk, risk of default, transaction risk, fraud risk, or systemic risk;
- ▶ Access to electronic banking for the poor and uneducated; and,
- ▶ Money crimes (counterfeiting, or theft).

Over the longer term, the areas of concern will include:

- ▶ The anti-competitive effects of potential monopoly power over the payments system;
- ▶ Which regulatory entity should be given responsibility for authorizing and regulating electronic money;
- ▶ The type of financial entity that is authorized to issue electronic money.

Changing Competitive Environment: Banks and other providers of financial services face an increasingly competitive marketplace. Technological changes present new risks as well as rewards. Global markets provide new opportunities and challenges, and consumer needs and demands are changing as the population becomes older, more ethnically diverse and more sophisticated about financial products and services. Banks are under competitive pressure from nonbank institutions that are not exposed to the same type of costly organizational and regulatory constraints that banks face today. OCC believes that the long term safety and soundness of the banking system demands that banks be able to engage in a wide range of financial activities that are both profitable and pose relatively low risk. As mentioned previously, Congress is currently considering legislation to modernize the legal and regulatory structure governing financial services. This legislation offers the potential to remove other constraints that prevent banks from offering the full range of financial products and services through which they can safely and soundly meet the needs of America's consumers and its economy.

Year 2000: OCC has adopted an aggressive strategy to see that national banks are prepared for the year 2000 (Y2K) transition. We will complete on-site examinations of every bank under our supervision before the middle of 1998 and we will do a second round of examinations where necessary to confirm full and complete verification and testing of programming changes. Efforts

to alert the industry to the banking agencies' concerns over the Y2K problem began in 1996 when the Federal Financial Institutions Examination Council (FFIEC) sent a statement to all banks, thrifts and credit unions. A second FFIEC statement was issued in May of 1997 and was also distributed to vendors that sell computer services and products to banks and thrifts.

OCC embarked on its own year 2000 efforts by following the process that we asked the banks to follow. As part of that effort, we assigned an OCC team that is responsible for testing and converting our internal systems and applications, and administrative personnel are working with landlords and supply vendors.

We researched the extent of the problem, inventoried all applications in use, identified and prioritized mission-critical systems, and developed testing plans to test and convert these systems. We have developed contingency plans for all mission critical systems scheduled for replacement before the year 2000 in case they are not replaced in time, and started the testing and conversion efforts for applications and systems. We have included compliance requirements in all outside vendor contracts, and we are testing personal computer purchases to make sure they are year 2000 compliant. We are also using outside consulting advice to make sure that our plans are complete and seeking advice on automated tools that we can use.

We are on schedule to complete conversions by September 30, 1998. This will allow us a year to operate the converted applications to assure that they function properly prior to year 2000.

Description of Program Evaluations Used in Establishing or Revising General Goals and Objectives, With a Schedule for Future Program Evaluations

The OCC developed its strategic goals and the objectives supporting them through the Executive Committee. The agency's strategic goals are drawn from a combination of statutory requirements, public policy, analyses of systemic risk, and feedback from banks, trade groups, bank customer groups, OCC employees, and others.

The OCC anticipated the need to integrate its strategic goals and operating plans with the planning and budget process to make sure that sufficient resources were in place to satisfy requirements, and that the resources were allocated efficiently. The OCC also recognized the need to develop a process to expand upon the reporting requirements prescribed by the CFO Act, which requires a measurement and reporting system to evaluate the achievement of financial goals.

In 1995, the OCC tasked the Mission Direction Organizational Review Team to recommend a revision of our strategic planning process. This team recommended that the strategic planning process:

- formally communicate the mission and vision to all employees
- determine and communicate what values are important to OCC

- establish performance measures to assess achievement of long-term strategic goals
- implement a more formal, timely operational planning process.

Another team, the Quality Assurance Organization Review Team was tasked to study and develop an implementation plan with respect to quality assurance. This team defined quality assurance, quality improvement and audit; determined who within the agency is responsible for each function; and provided recommendations on how to properly balance the responsibility that employees and managers have for ensuring “quality” in their specific units’ activities, and the need for a separate quality assurance improvement function to oversee and coordinate these activities for the agency. The team’s work resulted in recommendations to:

- establish an advisory team to facilitate the implementation of a consistent approach to quality assurance throughout the OCC. This team is temporary and reports to the Executive Committee;
- utilize the advisory team to facilitate the development of a system of measures to monitor, control, and improve quality;
- require all quality assurance activities to conform to a series of essential elements for quality assurance;
- define quality as conformance to agreed upon requirements; and,
- define quality assurance as the portion of a process designed to ensure achievement of the goals or the objectives of that process.

During 1997 the Quality Assurance Advisory Team’s efforts are focused on developing performance measures for our four strategic goals, as well as formalizing the essential elements for quality assurance.

In order to plan a systematic approach to setting strategic goals and performance measures, the OCC identified a number of steps it should take to support the strategic planning process:

- ▶ establish both formal and informal methods for setting a proper historical perspective for planning, as well as for obtaining environmental information and customer ideas;
- ▶ provide written guidance to coordinate the development of strategy with unit budgeting and staff planning;
- ▶ set up automated management information systems to monitor the achievement of short-term operational goals;
- ▶ Establish quarterly Executive Committee reviews of project status, budget results, and performance against strategic goals and objectives;
- ▶ Develop a measurement system to monitor, control, and improve the quality of the agency’s products and supervisory services, and to build quality assurance into the OCC’s mission. The initial focus is on establishing performance measures

relating to the agency's mission.

- ▶ Supplement the Bank Supervision Operations quality assurance program already in place with a comprehensive process for program evaluations. Additionally, we anticipate an OCC-wide assessment of how we measure performance during FY 1997-1998.
- ▶ Utilize Treasury Inspector General reviews and audits as well as GAO audits and reviews to assist OCC in the evaluation of our programs.

Stakeholders

The banks OCC regulates have an interest in the strategic goals. Other stakeholders, in addition to nationally-chartered banks, are the public which seeks fair and equal access to credit and other financial services, as well as the Administration and Congress and the oversight committees responsible for banking and financial issues. The agency's goals were formulated, in part, based on discussions with the banking industry, trade groups, consumers, public interest groups and OCC staff (employees). The public now has enhanced access to information on the OCC through a special public disclosure room. The OCC keeps the Congressional oversight committees informed of its plans and activities by providing frequent testimony in addition to ongoing informal communications.

OCC has actively coordinated supervisory efforts between the FDIC, OTS, Federal Reserve, and National Credit Union Administration (NCUA) under the auspices of the FFIEC. The purpose of this group is to promote consistency among the financial regulators, primarily in the area of financial examinations. OCC and the other financial regulators adopted a joint policy statement in 1993 designed to improve coordination and minimize duplication in our examination efforts. The dynamic nature of the financial services industry necessitates that all the financial regulators continue to work together in the future.

Our strategic planning process has also included discussion with our fellow banking regulators. In the spring of 1997, OCC, FDIC, OTS and the NCUA established an interagency working group, to share products and processes relating to the Results Act. Meeting monthly, the members of the working group shared the strategic plans of the various agencies, including goals, objectives and measures. The group also reviewed agency plans to ensure that goals were not contradictory. Our recent efforts have focused on identifying potentially common measures. These measures include the Home Mortgage Disclosure Act (HMDA), Year 2000 computer protocol, electronic banking, outreach and various examination functions. Banking regulators participating in the working group agreed to consider common measures in the next revision to our strategic plan, subject to a test or trial period where differences among agencies can be analyzed and adjusted.

Continuing Efforts to Enhance the OCC's Planning Process

The OCC is continuing its efforts to enhance the planning process by:

- ▶ Communicating the OCC's mission to all employees; and
- ▶ Establishing and refining performance measures that assess the agency's success in achieving its strategic goals.

Outline of Performance Goals to be included in Annual Performance Plan and Relationship to Strategic Goals and Objectives

The OCC currently reports on several program-related performance measures based on output as part of its annual CFO Act Report. These measures, which for the most part are quantitative in nature, will be included in the OCC's annual performance report. Although they are already tied to, and supportive of, the OCC's mission statement, they will be refined and expanded with the addition of new measures during FY 1998.

OCC is currently considering a number of outcome related measures for the four strategic goals.

We are considering conducting a pilot of the proposed strategic goal measures during the fourth quarter of 1997. The pilot should provide us with a way to communicate the measures to all OCC employees. Using actual measures will provide us with more specific, constructive feedback on the proposed measures. This feedback will assist OCC management in the review, revision, and approval of the measures at the end of the pilot period.

Outcome-related Measures Currently Included in the Annual CFO Act Report

Measure	Indicator	Strategic Goal
Timeliness of Examinations	<ul style="list-style-type: none"> - Number of examinations started on schedule - Number of examinations started after date scheduled 	<ul style="list-style-type: none"> - Ensure bank safety and soundness
National Bank Condition	<ul style="list-style-type: none"> - Change in composite ratings (upgrades vs. downgrades) 	<ul style="list-style-type: none"> - Ensure bank safety and soundness - Assure fair access to financial services for all Americans
Enforcement Actions	<ul style="list-style-type: none"> - Comparative analysis of completed enforcement actions against banks 	<ul style="list-style-type: none"> - Ensure banks safety and soundness - Assure fair access to financial services for all Americans
Licensing	<ul style="list-style-type: none"> - Comparative corporate licensing activity - Timeliness of processing applications 	<ul style="list-style-type: none"> - Foster competition - Improve the efficiency of bank supervision and reduce burden by streamlining supervisory processes.
Consumer Complaints	<ul style="list-style-type: none"> - Comparative analysis of consumer complaints using “average resolution time” 	<ul style="list-style-type: none"> - Assure fair access to financial services for all Americans - Foster competition

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